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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

NOV 07 2017

COMMISSIONERS

TOM FORESE - Chairman
BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON

DOCKETED BY

[Signature]

In the matter of)

BELIEVING IN JESUS INVESTMENTS,)
LLC, an Arizona limited liability company,)

PHOEBUS VINCENT SMITH (a/k/a Vince)
Smith and/or Mr. Vince),)

SHARON ELIZABETH GOVAN (a/k/a)
Sharron E. Govan-Smith, Sharon Smith, Ms.)
Sharon and/or Charron Govan),)

Respondents.)

DOCKET NO. S-20478A-06-0565

DECISION NO. 76447

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME**

**BY: BELIEVING IN JESUS INVESTMENTS,
LLC AND PHOEBUS VINCENT SMITH**

Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH (collectively "Respondents") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order To Cease And Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same ("Order"). Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit the Findings of Fact and Conclusions of Law contained in this Order; and consents to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. BELIEVING IN JESUS INVESTMENTS, LLC ("BIJI"), is a limited liability company organized under the laws of the state of Arizona since February 2006. BIJI has not been registered by the Commission as a securities salesman or dealer.

2. From at least August 2005 until at least March 2007, PHOEBUS VINCENT SMITH ("SMITH") was a resident of Arizona. SMITH has not been registered by the Commission as a securities salesman or dealer.

3. From at least August 2005, until at least July 2007, Sharon Elizabeth Govan ("Govan") was a resident of Arizona. Govan has not been registered by the Commission as a securities salesman or dealer.

4. SMITH and Govan have been for all relevant times the managing members of BIJI.

5. From at least March 2006, until at least September 2006, BIJI, SMITH, and Govan offered and sold securities in the form of investment contracts. BIJI, SMITH, and Govan informed investors that the purpose of BIJI was to invest in raw land, real estate development, condominiums, luxury cars, new business ventures, and bulk merchandise.

6. BIJI, SMITH, and Govan promoted their investment opportunities through fliers and live presentations by primarily targeting fellow church members.

7. BIJI's offering documents were provided to unsophisticated investors by SMITH and Govan. The offering documents, replete with religious references and biblical quotes, stated that BIJI is a private investment company for BIJI members only.

8. BIJI, SMITH, and Govan informed offerees that in order to participate in the investment opportunities, investors had to purchase one of four types of memberships from BIJI ("BIJI Members"). BIJI, SMITH, and Govan informed offerees that the first and second membership types were entitled "Christian Millionaires in Training 1" or "CMIT 1" and "Christian Millionaires in Training 2" or "CMIT 2." BIJI, SMITH, and Govan informed offerees that these programs were designed mainly for children, teens, grandparents, single parents, and individuals earning less than \$20,000 per year. The non-refundable membership fee was \$50 for CMIT 1, and \$150 for CMIT 2. The third type of BIJI membership was the "Regular" whose non-refundable membership fee was \$500. The fourth type of BIJI membership was the "Premier" whose non-refundable membership fee was \$1,000. Investors were told that as a BIJI Member, for each new BIJI Member they recruited,

1 they would have received a referral fee of up to \$250, the amount of which was determined by the
2 type of BIJI membership that was held by the recruiter and the type of new membership that was
3 acquired.

4 9. BIJI, SMITH, and Govan solicited investors to enroll in a variety of investment
5 contracts including, but not limited to, the following:

6 (a) A program that would yield \$600 on a \$500 investment in 60 days or \$1,250
7 on a \$1,000 investment in 90 days;

8 (b) A program in which investment amounts ranging from \$2,000 to \$500,000
9 promised a 100% return on the initial investment minus a 25% transaction fee in 6-36
10 months. Investors were provided charts showing investment amount and returns;

11 (c) The "Future BIJI Homebuyers" program. BIJI, SMITH, and Govan
12 informed investors that an investment of 6 consecutive payments of \$500 up to \$10,000 per
13 month would yield a guaranteed 100% return on their initial investment after 12-18 months;

14 (d) The "24 Rolls Royce/Bentley Project 2006-2007" program. BIJI, SMITH,
15 and Govan informed investors that five BIJI Members would be allowed to each purchase
16 one-fifth of a Rolls Royce or Bentley automobile by investing one-fifth of the wholesale
17 price of the car. A 25% mark-up would be added to wholesale cost of the car and sold with
18 each investor yielding a 25% return on their initial investment;

19 (e) The "Land Investment Plan" program. BIJI, SMITH, and Govan informed
20 investors that BIJI planned to develop 500 lots or acres of land located in Utah, New
21 Mexico, California, and Arizona during 2006-2007. Up to twenty BIJI Members would be
22 allowed to participate in this program by investing their proportionate share of the cost of
23 the land. A minimum of a 25% mark-up would be added to the cost of the property (or to
24 the acquisition and construction costs) and sold with each investor yielding at least a 25%
25 return on their initial investment; and

26 (f) The "Home Investment Plan" program. BIJI, SMITH, and Govan informed

1 investors that BIJI planned to purchase homes (existing or to be constructed) ranging in cost
2 from \$100,000 up to \$350,000. BIJI Members would be allowed to participate in this
3 program by investing their proportionate share of the cost of the home. A minimum of a
4 25% mark-up would be added to the sale price of the property and sold with each investor
5 yielding at least a 25% return on their initial investment. In BIJI's offering documents,
6 Smith stated he would buy-out an investor's share with interest in the event that a completed
7 home remains unsold after 12 months.

8 10. According to BIJI's offering documents, SMITH oversaw all investment
9 programs, and would distribute all the income directly to the investors. Apart from enrolling in a
10 particular program by contributing their funds, the investors do not participate in the business
11 operations of BIJI.

12 11. Investors were told that any return received on their investments would come from
13 returns on BIJI investments. Contrary to the above statement, BIJI, SMITH, and Govan paid old
14 investors with money received from new investors.

15 12. BIJI, SMITH, and Govan failed to disclose to offerees and investors that investor
16 funds will be expended for personal use. BIJI, SMITH, and Govan used a portion of investor
17 funds for personal expenses without authorization from investors.

18 13. A Desist and Refrain Order was entered by the State of California, Department of
19 Corporations on January 31, 2005, against SMITH for operating a Ponzi scheme [related to the
20 offer and sale of similar investment opportunities], while a resident of California, to investors
21 located in that state ("California Order"). BIJI, SMITH, and Govan failed to disclose the existence
22 of the California Order to potential investors and BIJI Members.

23 14. From at least March 2006 until at least September 2006, BIJI, SMITH, and Govan
24 raised approximately \$280,200 from at least thirty investors, approximately \$35,150 was paid
25 back to investors. The remaining principal amount owed is \$245,050.

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II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. Respondents BIJI and SMITH offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

3. Respondents BIJI and SMITH violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. Respondents BIJI and SMITH violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

5. Respondents BIJI and SMITH violated A.R.S. § 44-1991 by (a) employing a device, scheme, or artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and/or (c) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit.

6. Respondents BIJI's and SMITH's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

7. Respondents BIJI's and SMITH's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

8. Respondents BIJI's and SMITH's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

9. Respondent SMITH directly or indirectly controlled persons or entities within the meaning of A.R.S. § 44-1999, including but not limited to Respondent BIJI. Therefore, Respondent SMITH is jointly and severally liable under A.R.S. § 44-1999 to the same extent as Respondent BIJI for any violations of A.R.S. § 44-1991.

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III.**ORDER**

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents BIJI's and SMITH's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents BIJI and SMITH, and any of Respondents BIJI's and SMITH's agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED that Respondents BIJI and SMITH comply with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent SMITH, individually, shall, jointly and severally with Respondent BIJI, pay restitution to the Commission in the principal amount of \$245,050 [minus any legal offsets] as a result of the conduct set forth in the Findings of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission.

IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraph will accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or (ii) at a rate per annum that is equal to one per cent plus the prime rate as published by the board of governors of the federal reserve system in statistical release H. 15 or any publication that may supersede it on the date that the judgment is entered.

The Commission shall disburse the funds on a pro-rata basis to investors shown on the records of the Commission. Any restitution funds that the Commission cannot disburse because an investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor because the investor is deceased and the Commission cannot reasonably identify and locate the

1 deceased investor's spouse or natural children surviving at the time of the distribution, shall be
2 disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission.
3 Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be
4 transferred to the general fund of the state of Arizona.

5 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent SMITH,
6 individually, shall, jointly and severally with Respondent BIJI, pay an administrative penalty in the
7 amount of \$25,000 as a result of the conduct set forth in the Findings of Fact and Conclusions of
8 Law. Payment is due in full on the date of this Order. Payment shall be made to the "State of
9 Arizona." Any amount outstanding shall accrue interest as allowed by law.

10 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
11 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
12 shall be applied to the penalty obligation.

13 For purposes of this Order, a bankruptcy filing by Respondent BIJI and/or Respondent
14 SMITH shall be an act of default. If Respondents BIJI and SMITH do not comply with this Order,
15 any outstanding balance may be deemed in default and shall be immediately due and payable.

16 IT IS FURTHER ORDERED, that if Respondents BIJI and SMITH fail to comply with this
17 Order, the Commission may bring further legal proceedings against Respondents BIJI and SMITH,
18 including application to the superior court for an order of contempt.

19 IT IS FURTHER ORDERED that no finding of fact or conclusion of law contained in this
20 Order shall be deemed binding against any Respondent under this Docket Number who has not
21 consented to the entry of this Order.

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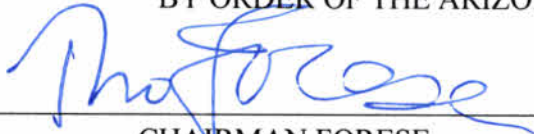
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IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRMAN FORESE

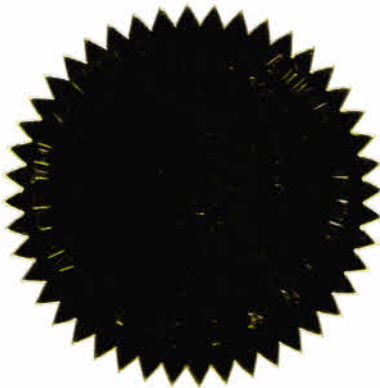

COMMISSIONER DUNN


COMMISSIONER TOBIN


COMMISSIONER OLSON


COMMISSIONER BURNS

IN WITNESS WHEREOF, I, TED VOGT, Executive Director
of the Arizona Corporation Commission, have hereunto set my
hand and caused the official seal of the Commission to be
affixed at the Capitol, in the City of Phoenix, this 7th day
of NOVEMBER, 2017.




TED VOGT
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Kacie Cannon, ADA Coordinator,
voice phone number (602) 542-3931, e-mail kcannon@azcc.gov.

(MS)

CONSENT TO ENTRY OF ORDER

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2 1. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
3 VINCENT SMITH (collectively, "Respondents") admit the jurisdiction of the Commission over the
4 subject matter of this proceeding. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and
5 PHOEBUS VINCENT SMITH acknowledge that they has been fully advised of their right to a
6 hearing to present evidence and call witnesses and Respondents BELIEVING IN JESUS
7 INVESTMENTS, LLC and PHOEBUS VINCENT SMITH knowingly and voluntarily waive any
8 and all rights to a hearing before the Commission and all other rights otherwise available under
9 Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondents
10 BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH acknowledge
11 that this Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and
12 Consent to Same ("Order") constitutes a valid final order of the Commission.

13 2. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
14 VINCENT SMITH knowingly and voluntarily waive any right under Article 12 of the Securities Act
15 to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry
16 of this Order.

17 3. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
18 VINCENT SMITH acknowledge and agree that this Order is entered into freely and voluntarily and
19 that no promise was made or coercion used to induce such entry.

20 4. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
21 VINCENT SMITH understand and acknowledge that they have a right to seek counsel regarding this
22 Order, and that they have had the opportunity to seek counsel prior to signing this Order. Respondents
23 BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH acknowledge
24 and agree that, despite the foregoing, Respondents BELIEVING IN JESUS INVESTMENTS, LLC
25 and PHOEBUS VINCENT SMITH freely and voluntarily waive any and all right to consult or obtain
26 counsel prior to signing this Order.

1 5. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
2 VINCENT SMITH admit the Findings of Fact and Conclusions of Law contained in this Order.
3 Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH
4 agree that they shall not contest the validity of the Findings of Fact and Conclusions of Law contained
5 in this Order in any present or future proceeding in which the Commission is a party.

6 6. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
7 VINCENT SMITH further agree that they shall not deny or contest the Findings of Fact and
8 Conclusions of Law contained in this Order in any present or future: (a) bankruptcy proceeding, or
9 (b) non-criminal proceeding in which the Commission is a party (collectively, "proceeding(s)"). In
10 the event Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT
11 SMITH pursue bankruptcy protection in the future, they further agree that in such bankruptcy
12 proceeding, pursuant to 11 U.S.C. § 523(a)(19), the following circumstances exist:

13 A. The obligations incurred as a result of this Order are a result of the conduct set forth
14 in the Findings of Fact and Conclusions of Law in the Order and are for the violation of Arizona
15 state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);

16 B. This Order constitutes a judgment, order, consent order, or decree entered in a state
17 proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by
18 Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH
19 pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and a court order for damages, fine, penalty, citation,
20 restitution payment, disgorgement payment, attorney fee, cost or other payment owed by
21 Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH
22 pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

23 7. By consenting to the entry of this Order, Respondents BELIEVING IN JESUS
24 INVESTMENTS, LLC and PHOEBUS VINCENT SMITH agree not to take any action or to make,
25 or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact or
26 Conclusion of Law in this Order or creating the impression that this Order is without factual basis.

1 8. While this Order settles this administrative matter between Respondents BELIEVING
2 IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH and the Commission,
3 Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS VINCENT SMITH
4 understand that this Order does not preclude the Commission from instituting other administrative or
5 civil proceedings based on violations that are not addressed by this Order.

6 9. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
7 VINCENT SMITH understand that this Order does not preclude the Commission from referring this
8 matter to any governmental agency for administrative, civil, or criminal proceedings that may be
9 related to the matters addressed by this Order.

10 10. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
11 VINCENT SMITH understand that this Order does not preclude any other agency or officer of the
12 state of Arizona or its subdivisions from instituting administrative, civil, or criminal proceedings that
13 may be related to matters addressed by this Order.

14 11. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
15 VINCENT SMITH agree that they will not apply to the state of Arizona for registration as a securities
16 dealer or salesman or for licensure as an investment adviser or investment adviser representative until
17 such time as all restitution and penalties under this Order are paid in full.

18 12. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
19 VINCENT SMITH agree that they will not exercise any control over any entity that offers or sells
20 securities or provides investment advisory services within or from Arizona until such time as all
21 restitution and penalties under this Order are paid in full.

22 13. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
23 VINCENT SMITH agree that they will continue to cooperate with the Securities Division including,
24 but not limited to, providing complete and accurate testimony at any hearing in this matter and
25 cooperating with the state of Arizona in any related investigation or any other matters arising from
26 the activities described in this Order.

1 14. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
2 VINCENT SMITH consent to the entry of this Order and agree to be fully bound by its terms and
3 conditions.

4 15. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
5 VINCENT SMITH acknowledge and understand that if they fail to comply with the provisions of
6 the Order and this consent, the Commission may bring further legal proceedings against them,
7 including application to the superior court for an order of contempt.

8 16. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
9 VINCENT SMITH understand that default shall render them liable to the Commission for its costs
10 of collection, including reasonable attorneys' fees and interest at the maximum legal rate.

11 17. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
12 VINCENT SMITH agree and understand that if they fail to make any payment as required in the
13 Order, any outstanding balance shall be in default and shall be immediately due and payable without
14 notice or demand. Respondents BELIEVING IN JESUS INVESTMENTS, LLC and PHOEBUS
15 VINCENT SMITH agree and understand that acceptance of any partial or late payment by the
16 Commission is not a waiver of default by the Commission.

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Phoebus Vincent Smith
Respondent PHOEBUS VINCENT SMITH

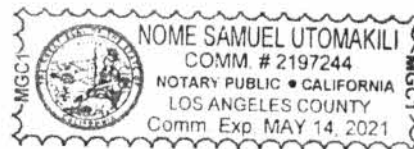
STATE OF CALIFORNIA)
County of LOS ANGELES) ss

SUBSCRIBED AND SWORN TO BEFORE me this 28 day of SEPTEMBER, 2017.

Samuel Utamakili
NOTARY PUBLIC

My commission expires:

MAY - 14 - 2021



BELIEVING IN JESUS INVESTMENTS, LLC

By: Phoebus Vincent Smith
Its: Managing Member

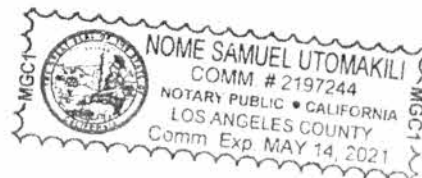
STATE OF CALIFORNIA)
County of Los Angeles) ss

SUBSCRIBED AND SWORN TO BEFORE me this 29 day of SEPTEMBER, 2017.

Samuel Utamakili
NOTARY PUBLIC

My commission expires:

MAY - 14 - 2021



Notarial Certificate
Attached

JURAT CERTIFICATE

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

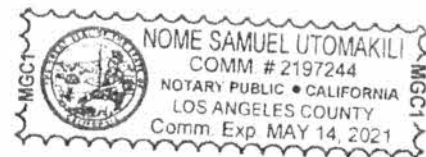
Subscribe and sworn to (or affirmed) before me on this 28 day of SEPTEMBER,
20 17, by PHOEBUS VINCENT SMITH

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who
appeared before me. NOME SAMUEL UTOMAKILI (NOTARY PUBLIC)

[Handwritten Signature]

(Seal)

Notary Signature



Title or Type of Document: Court Documents

1 SERVICE LIST FOR: BELIEVING IN JESUS INVESTMENTS, LLC *et al.*

2 BELIEVING IN JESUS INVESTMENTS, LLC

3 2024 96TH Place

4 Los Angeles, CA 90047

5 PHOEBUS VINCENT SMITH

6 2024 96th Place

7 Los Angeles, CA 90047

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